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DEPARTMENT OF LABOR & ECONOMIC GROWTH
LANSING

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House Bill 5955-8 (As Reported from House Committee)

Topic: Trading Assistants
Sponsor: Representatives Hildenbrand, Clemente, Palsrok, and Nofs
Co-sponsors: The lead sponsors co-sponsored the other bills
Committee: House Energy & Technology

Date Introduced: April 19, 2006

Date of Summary: April 28, 2006

The bills would exempt "internet drop-off stores" from regulation under two pawnbroker laws, the second hand dealers and junk dealers law, and the Precious Metal and Gem Dealer Act. "Internet drop-off store" is defined as a person, corporation, or firm that contracts with others to offer items for sale, purchase, consignment, or trade through an Internet website. To be exempt under these acts, the store would be required to have a fixed place of business, have the personal property available on a website for viewing at no charge, maintain records, provide access to the local police agency, provide that payment for the items be executed by check or electronic payment system (but not in cash), and immediately remove items from the website and notify the local police agency upon learning the item is stolen. The fixed place of business requirement was modified in the substitutes to require that all purchases or sales be made by means of the Internet and not be physically transacted on the premises. An amendment was added to House Bill 5957 to clarify that scrap processors are not included in the definition of second hand dealer or junk dealer in Public Act 350 of 1917. Scrap processor is defined in the bill as "a person, utilizing machinery and equipment and operating from a fixed location, whose principal business is the processing and manufacturing of iron, steel, nonferrous metals, paper, plastic, or glass, into prepared grades of products suitable for consumption by recycling mills and foundries."